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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000893

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DEPT FOR SCA/PB AND SCA/FO

E.O. 12958: DECL: 08/21/2018
TAGS: [PGOV](#) [PINR](#) [PINS](#) [PREL](#) [KDEM](#) [ASEC](#) [BG](#)
SUBJECT: GOVERNMENT INCHING TOWARDS A DEAL TO RELEASE
FORMER PRIME MINISTER ZIA AND SON

REF: A. DHAKA 879
[1](#)B. DHAKA 873

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

SUMMARY
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[1](#)1. (C) Bangladesh's political debate currently centers around the status of negotiations to release former Prime Minister Khaleda Zia and her son Tarique Rahman from prison. Both Zia loyalists and senior CTG officials tell us that a deal is close, but that lack of trust between the two sides is standing in the way of concluding negotiations. Zia's release is a necessary, but not sufficient, condition for her party to reunify and prepare to participate in elections. All agree that Tarique Rahman will go into exile for the immediate future, but there remain serious concerns in many quarters regarding his longer term plans. We have clearly indicated that the USG can not forget, or ignore, Tarique's well deserved reputation for corruption and brutality. The BNP must be convinced that it would benefit from participating in the process, and at the same time, Khaleda Zia must be made to realize that she does not hold a veto over Bangladesh's political future.

Negotiators Claim to be Nearing a Deal
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[1](#)2. (C) Bangladeshi political observers are fixated on the status of negotiations to release former Bangladesh Nationalist Party Prime Minister Begum Khaleda Zia and her notorious son Tarique Rahman from prison. A tentative deal that would have released Zia immediately (and her son within weeks) fell apart the weekend of August 15 -16, according to Zia's attorneys. This prompted widespread speculation that Chief of Army Staff General Moeen Uddin Ahmed vetoed the agreement after he returned from a visit to China August 14. In recent days, we have spoken with Advisers Ghulam Quader and Hossain Zillur Rahman, the principal Caretaker Government negotiators, who have assured us that the deal is still on the table. In a meeting with Staffdel Yeo, General Moeen said nothing to indicate that Zia and her son would remain in prison indefinitely.

[1](#)3. (C) Based on our conversations with all sides, it appears that the negotiations might have stalled due to lingering mistrust between Zia's family and the government. Zia's agreement to be released first, with Tarique to follow after a decent interval, had represented a breakthrough in the talks. According to her attorney, Zia had second thoughts after family members expressed concerns that the CTG

would fail to release Tarique. In discussions with the Ambassador, the Advisers acknowledged this trust deficit and said they were looking at a variety of possible confidence building measures. Senior CTG officials, including the Chief Adviser, have continued to state publicly that Zia would be released from prison. Negotiators have also explained that the pace of negotiations will be affected by the many legal steps that will need to be taken to grant Khaleda bail and Tarique a medical pardon prior to their release.

BNP Faces Long Road to Elections

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14. (C) The Advisers and Army Chief explained that a desire to see a strong and united BNP participate in elections underpinned their willingness to pursue an agreement with Zia and her son. The CTG hopes that once free from prison, Khaleda Zia will take immediate steps to reunify the disparate elements of the BNP and prepare the party to take part in elections. Senior BNP officials of the "reformist" faction have told us that they were willing to return to the fold. With only four months remaining until national elections, however, time is running out for the BNP to reorganize the party's structures. The party cannot reunify and be competitive in elections without Khaleda Zia, but her presence alone will not guarantee this result.

15. (C) As Adviser Hossain Zillur Rahman told the Ambassador, Khaleda Zia and her party must be convinced that they have a stake in the political process and more to gain

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by participating than they do by staying on the sidelines. General Moeen was adamant that elections will take place regardless of who participates. That said, he and the CTG Advisers understand that a boycott by the BNP and its alliance partners could sow the seeds for future instability, with the BNP just waiting in the wings for the right moment to take on via street agitation the next elected government.

Whither Tarique?

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16. (C) Releasing Tarique Rahman, who has become the poster child for all that was wrong with Bangladeshi politics and governance prior to January 11, 2007, would be a bitter pill for the CTG and its supporters to swallow. At a minimum, they will likely insist that Tarique agree to accept being "exiled" for several years as a condition for being released from prison. At present, it is most likely that Tarique will decide to travel to the UK or Germany to seek medical treatment and establish a residence. In meetings with CTG Advisers, as well as informal confidantes of the Chief Adviser, the Ambassador has emphasized the USG's desire to see Tarique held accountable for his past actions. The Ambassador has also emphasized that Tarique could be subject to visa restrictions contained in our anti-kleptocracy policy, should he seek to travel to the United States.

Comment

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17. (C) Adviser Hossain Zillur Rahman told the Ambassador that negotiations with Khaleda Zia needed to be concluded soon, in order to allow the CTG and the parties to focus on the many important transition issues that remain to be resolved. While this sense of urgency is understandable, it is also important that the CTG not be rushed into concluding a bad deal--in particular one that leaves the door open for Tarique Rahman to come to power. We agree with Hossain Zillur's recommendation that the USG and others in the international community should help convince the BNP and Khaleda Zia to participate in the political process. At the same time, Khaleda Zia should not be given the impression

that she holds all the cards, or that she has a veto over whether elections will take place. In the coming days, we will focus our public and private messages to reinforce these points.

Moriarty